

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7462

BILL NUMBER: HB 1313

NOTE PREPARED: Apr 10, 2013

BILL AMENDED: Apr 4, 2013

SUBJECT: Regulation of Residential Leases.

FIRST AUTHOR: Rep. Speedy

FIRST SPONSOR: Sen. Holdman

BILL STATUS: As Passed Senate

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) The bill provides that a political subdivision may not adopt a regulation after February 28, 2013 and before July 1, 2014 relating to landlord and tenant relations, rental agreements, or real property subject to a rental agreement that:

- (1) requires an owner or landlord to be licensed or to obtain a permit from the political subdivision to lease a rental unit;
- (2) requires an owner or landlord to enroll or participate in a class or government program as a condition for leasing a rental unit; or
- (3) imposes or increases a fee or other assessment for inspection of a rental unit, registration of an owner, landlord, or rental unit, or for any other purpose relating to landlord and tenant relations, rental agreements, or real property subject to a rental agreement.

The bill also provides that a political subdivision is not prohibited from:

- (1) imposing or increasing a fee relating to the construction of a rental unit, such as a building permit fee; or
- (2) establishing a rental unit inspection program.

It prohibits a political subdivision from adopting an ordinance or other requirement after February 28, 2013, and before July 1, 2015, that would require a builder or remodeler to be licensed, certified, permitted, registered, or listed by the political subdivision as a condition to the builder or remodeler constructing or remodeling a residential dwelling. It also provides that a political subdivision is not prohibited from licensing, permitting, or registering specific trades or issuing permits and approvals that regulate the use, planning, and development of property.

The bill urges the Legislative Council to assign the topic of regulation of residential leases by political subdivisions to a study committee during the 2013 legislative interim.

Effective Date: March 1, 2013 (Retroactive); July 1, 2013.

Explanation of State Expenditures: The bill does not create a committee, but rather asks the Legislative Council to assign the topic of regulation of residential leases by political subdivisions to a statutory or interim committee.

If the Legislative Council were to assign this topic to an existing committee and the committee were to have any extra meetings to address this topic, there would be additional expenditures for legislator per diem and travel reimbursement for the committee members. Any additional expenditures must be within the committee's budget.

Interim study committees operate on budgets established by the Legislative Council based on committee size. Legislative Council resolutions in the past have established budgets for interim study committees in the amount of \$9,500 per interim for committees with fewer than 16 members and \$16,500 for committees with 16 members or more.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: (Revised) To the extent that a political subdivision is in the process of establishing a program relating to landlord and tenant relations, rental agreements, or real property subject to a rental agreement, no program or program fee could be adopted or increased between March 1, 2013, and July 1, 2014.

(Revised) The two-year moratorium prohibiting a political subdivision from requiring a builder or remodeler to be licensed, certified, permitted, registered, or listed by the political subdivision is expected to have minimal fiscal impact on local units with these requirements.

State Agencies Affected: Legislative Council.

Local Agencies Affected: Political subdivisions.

Information Sources:

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